

Y
P. O. Box 1838
Hobbs, New Mexico

January 17, 1962

Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

Gentlemen:

Your "Notice of Intention to Drill" well No. 1 San Simon Unit in the SW 1/4 Sec. 26, T. 21 N., R. 32 E., on lease H.M. 014990 is approved subject to the following:

1. Cement must be circulated on the 10 3/4" surface casing and sufficient cement used on the 7 5/8" salt protection casing to return into the 10 3/4" surface casing.
2. All porosity between 3500' and 2000' must be covered by cement behind the 7 5/8" casing.
3. This office is to be notified in sufficient time to witness all cementing operations. In the event it becomes necessary to have a U.S.G.S. representative witness cementing operations after 4:30 p.m. or during the weekend you are requested to notify this office during our regular working hours, 8:00 a.m. to 4:30 p.m. Monday through Friday, so that we may be prepared for your call.

You are reminded that the right to continue operations under oil and gas lease H.M. 0672, H.M. 0672-A and H.M. 094282 after January 31, 1962 is contingent upon one of the following conditions:

1. Completion of a well prior to such date capable of producing in paying quantities.
2. Drilling operations being conducted on said date provided that the lease rental has been timely paid.

Your attention is called to the fact that a potash prospecting permit (NM 022430) was issued February 1, 1962, to Gulf Minerals Company covering the lands upon which this well is to be drilled. The

possibility of coring the potash ore interval, approximately 700 feet below the top of the salt section, for qualification of a preference right lease should be considered as a savings in core hole expense would result by combining these operations.

Very truly yours,

E. W. Standley
District Engineer

cc: Gulf Land Department, Roswell